

CUSTOMS

Exchange of notes at Paris November 2, 8, and 15, 1927
Entered into force November 21, 1927

1927 For. Rel. (II) 698

The Ministry for Foreign Affairs to the American Embassy

[TRANSLATION]

PARIS, November 2, 1927

The French Government has taken note with satisfaction of the *aide-mémoire* which the Embassy of the United States presented to it on October 24, 1927.¹ It is happy to find therein the assurances by virtue of which it can shortly open negotiations for a permanent treaty and grant to the products of the United States, pending these negotiations, the provisional regime on which the experts of the two countries have just agreed.

In order to avoid any lack of precision and misunderstanding with respect to these assurances, the French Government feels it opportune to recall them, indicating at the same time its interpretation thereof:

1. The Government of the United States agrees that its Tariff Commission may, in conformity with the procedure governing inquiries as to cost of production initiated by the application of Section 315 of the Tariff Act,² receive claims presented by any person, corporation or association, or in their name. The American Government is likewise disposed to transmit to its Tariff Commission requests submitted to it by the French Government in the name of its producers and consumers.

2. The Government of the United States declares itself prepared to examine in the most friendly spirit all claims submitted by the French Government concerning regulations of a sanitary nature affecting agricultural and pharmaceutical products, as well as all other import formalities in which are included the conditions and methods of passing merchandise through the customs. The French Government, moreover, assures the Government of the United States that it will examine with the same good will the claims of American exporters which may be submitted to it by the American Government.

¹ For text, see 1927 For. Rel. (II) 696.

² 42 Stat. 941.

3. The French Government takes note with particular satisfaction of the assurance of the Government of the United States that no investigation will henceforth be made by the representatives of the American Government upon French territory involving the examination of books and private documents belonging to French producers, manufacturers, or businessmen. The French Government believes that in lieu of these investigations the American Tariff Commission will be willing to take into due consideration any communication relating to the cost of production of French products which may be sent to it by the French Government or transmitted under its responsibility.

4. The French Government does not feel it necessary, with respect to the suppression of the countervailing duties recently put into force by the American Treasury Department by way of carrying out the Law of 1922, to ask for other assurances than those contained in the American note of October 24th and which the French Government interprets as promising a return to the situation existing prior to that which was created by the French Decree of August 30th. It would indeed not be equitable that, the United States being restored to a situation more favorable than that which existed prior to September 6th last, French products should not regain all the advantages which they previously enjoyed.

As soon as the Government of the United States shall have been good enough to declare that no divergence exists concerning the questions hereinabove restated, the French Government will immediately put into application by decree the provisional regime resulting from the agreement of the experts. The French Government desires to point out that this provisional regime constitutes a distinct gain for the United States since, as a result, the most-favored-nation treatment will be granted to 471 American products of especial importance which heretofore were subject to intermediary duties and since for all the other American products affected by the Decree of August 30th the former discrimination is reduced to such an extent that in many cases it is no longer appreciable.

When the provisional regime shall have been thus established, the French Government is ready to take up the negotiation of the treaty of commerce without awaiting the results of the investigations and deliberations relative to Points 1 and 2 above set forth, but, as obliged by its legislation, the French Government must again point out clearly that the conclusion of the treaty could not take place before the results of these investigations and deliberations are known to the French Government and allow it to judge from the situation created for French exportation to the United States the terms which it itself can extend to American products imported into France.

The American Embassy to the Ministry for Foreign Affairs

PARIS, November 8, 1927

The Government of the United States notes with satisfaction that the interpretation which the French Government places on the explanations and assurances contained in the American *aide memoire* of October 24, 1927, corresponds in the main to the position of the Government of the United States, and is gratified that the French Government pending negotiations is now prepared to reduce the rates of duty in respect of American products substantially to the *status quo* existing prior to September 6, 1927.

The Government of the United States is pleased to state that it accepts the interpretation which the French Government adopts, in the paragraphs numbered 1, 2 and 3 of its *aide memoire* of November 2, in summarizing the corresponding points set forth in the American *aide memoire* of October 24.

With reference to the suggestion of the French Government in the latter part of paragraph 3 of the *aide memoire*, the Government of the United States is happy to state that the United States Tariff Commission will be willing to take into due consideration any communication relating to the cost of production of French products which may be transmitted to it with the approval of the French Government.

Paragraph 4 relating to the so-called countervailing duties substantially interprets the assurance given by the Government of the United States. But just as, by reason of the recent revision of tariff rates effected by France, the new rates of duty to be applied to American goods are not precisely the same as those in force prior to September 6 last, so under the terms of existing American law it is not possible to restore the American rates to exactly their previous positions. The action, however, which the American Government under existing law is able to take, on being advised of the reduction of the French rates in question, will entail no appreciable additional burden upon French commerce, since it is estimated on the basis of the trade in 1926 that the duties to be paid on imports of French goods will be only about \$7,000 greater annually than the duties that would be paid in case the *status quo ante* of the American tariff could be completely restored. Thus there is no appreciable difference between the regime desired by the French Government and that which the Government of the United States could establish.

As soon as the French Government shall have reduced its tariff rates applicable to American commerce in accordance with the assurances given, the Government of the United States will be happy to take up at once the negotiation of a general treaty of amity and commerce. Naturally it is for the French Government to determine whether and under what conditions it will be willing to conclude a particular treaty. The Government of the United States, however, cannot agree that the removal of the remaining discriminations against American trade be indefinitely deferred, or made conditional upon the result of the investigations to be made by the Governments of the United States and France.

The Ministry for Foreign Affairs to the American Embassy

[TRANSLATION]

PARIS, *November 15, 1927*

The Ministry of Foreign Affairs thanks the Embassy of the United States for its *aide-mémoire* of November 8th, noting the agreement between the two Governments with regard to the interpretation to be given to points 1, 2, and 3 of the American *aide-mémoire* of October 24th. It takes note with satisfaction of this agreement as well as of the assurances respecting the measures which the Government of the United States is good enough to agree to take, both as concerns the foregoing points and the question of countervailing duties, as soon as it shall have been notified of the coming into force of the provisional customs regime contemplated by France in favor of American products. The Ministry of Foreign Affairs has the honor to make known to the Embassy that this regime will be put into application on November 21st, 1927, by virtue of a decree which will appear in the *Journal Officiel* of the French Republic.